

BAY COUNTY RETIREMENT BOARD OF TRUSTEES
 AGENDA
 TUESDAY, OCTOBER 11, 2016 @ 1:30 P.M.
COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

PAGE	I.	CALL TO ORDER
	II.	ROLL CALL
	III.	MINUTES
1-8	A.	SEPTEMBER 13, 2016
	IV.	PUBLIC INPUT
	V.	PETITIONS & COMMUNICATIONS
	A.	GABRIEL ROEDER SMITH & CO ACTUARIAL VALUATION PRESENTATION - JIM ANDERSON & SHANA NEESON (RETIREMENT BOARD WEBSITE- ANNUAL REPORTS)
9-11	B.	MONTHLY REPORTS – RES NO: 2016-43
	1.	PORTFOLIO VALUE - 1/1/16 - 9/30/16
	2.	CHANGE IN BOOK AND MARKET VALUE – 8/31/16
	3.	MONEY MANAGERS ON WATCH - (EFFECTIVE DATE)
	a.	NONE
	4.	MONEY MANAGER REPORTS
	a.	BARINGS (CORNERSTONE) – ENDING 8/31/16
	b.	EAGLE ASSET MGMT - ENDING 08/31/16
	c.	HENDERSON GENEVA – ENDING 8/31/16
12-33	d.	HOTCHKIS & WILEY – ENDING 8/31/16
	e.	LOOMIS SAYLES - ENDING 8/31/16
	f.	MFS INVESTMENT – ENDING 8/31/16
	g.	MFS HERITAGE TRUST - ENDING 8/31/16
	h.	SCHRODER – ENDING 8/31/16
	5.	RECAPTURE SERVICES
34-37	a.	ABEL/NOSER - SUMMARY ENDING 8/31/16
	b.	CAPIS - SUMMARY ENDING 8/31/16
	6.	NORTHERN TRUST
38-43	a.	SUMMARY EARNINGS - ENDING 8/31/16
44	7.	REFUNDS/RETIREMENTS - ENDING 9/30/16
45-47	8.	BCERS YTD BUDGET REPORT – ENDING 9/30/16

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COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

- 48 9. INVOICES APPROVED – 9/30/16
- 49-53 C. APPROVAL OF ELECTION CALENDAR RES NO 2016-45
- 54 D. CORRESPONDENCE FROM PGIM – OPERATING CASH FLOW DISTRIBUTION (MOTION TO RECEIVE)
- 55 E. DISABILITY RETIREMENT GREG COURIER – ROAD RES NO: 2016-44 (CLOSED SESSION)

Motion: To go into closed session pursuant to MCLA 15.268, Sec. 8 (h) to consider material exempt from discussion or disclosure by state or federal statute. (ROLL CALL VOTE)

- 56-61 F. 2017 PROPOSED BUDGET APPROVAL – RES NO: 2016-39
- G. DUTY DISABILITY RETIREMENT APPEAL – CHARBONNEAU

VI. ANNOUNCEMENTS

- A. SPECIAL MONEY MANAGERS MEETING – THURSDAY, OCTOBER 20, 2016 AT 8:30 A.M., COMMISSION CHAMBERS, 515 CENTER AVE 4TH FLOOR, BAY CITY, MI 48708
- B. NEXT REGULAR MEETING – NOVEMBER 15, 2016 AT 1:30 P.M., COMMISSIONERS CHAMBERS, 515 CENTER AVENUE 4TH FLOOR, BAY CITY, MI 48708

VII. UNFINISHED BUSINESS

VIII. NEW BUSINESS

IX. MISCELLANEOUS BUSINESS

X. ADJOURNMENT

ACTION TAKEN BY BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD

DATE OF BOARD MEETING: OCTOBER 11, 2016

PAGE: 1

MOTION/ INTRODUCED/
RES. NO. SUBMITTED BY

SUBJECT OF RESOLUTION/MOTION

ADOPTED AMENDED CORRECTED DEFEATED REFERRED TABLED WITHDRAWN

RES NO									
2016-44	BOARD	Approval of non-duty disability retirement Courier	XX						
2016-43	BOARD	Monthly Reports – October	XX						
2016-45	BOARD	Approve election calendar	XX						
2016-39	ADMINISTRATION	Approve 2017 budget	XX						
MOTIONS									
80	Coonan	Approve minutes 9/13/16	XX						
81	Brzezinski	Approve Actuary's recommendation to transfer (\$7,804,932 for all other groups and \$857,940 for BABH) the difference between the accrued liability and reported reserve from the retirement system employer reserve to the retiree reserve effective 1/1/2016 to fully fund the retiree accrued liability.	XX						
82	Krygier	Receive the Dec 31, 2015 Actuarial valuation	XX						
83	Brzezinski	Deny appeal for permanent retirement disability Charbonneau	XX						
84	Krygier	Moved to go into closed session	XX						
85	Krygier	Moved to resume open session	XX						
86	Krygier	Excuse Trustee Brzezinski	XX						

ACTION TAKEN BY BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD

DATE OF BOARD MEETING: OCTOBER 11, 2016

PAGE: 1

MOTION/ INTRODUCED/
 RES. NO. SUBMITTED BY SUBJECT OF RESOLUTION/MOTION ADOPTED AMENDED CORRECTED DEFEATED REFERRED TABLED WITHDRAWN

MOTIONS									
87	KRYGIER	Receive Correspondence from PGIM	XX						
88	KRYGIER	Adjourn meeting	XX						

TRUSTEE BRZEZINSKI DEPARTED THE MEETING AT 2:45 P.M.

**BAY COUNTY RETIREMENT BOARD
10/11/16
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD (10/11/16)

WHEREAS, An application for non-duty disability was received from Gregory Courier.

WHEREAS, All required documents have been filed with the Retirement Office.

WHEREAS, The Bay County Medical Director, Dr. Kirk Herrick, D.O., has reviewed all medical records and other pertinent information regarding this application.

WHEREAS, It is Dr. Herrick's professional opinion that Gregory Courier is incapacitated for continued employment. This incapacity is likely to be permanent and Mr. Courier should retire. Therefore, Be It

RESOLVED That this Board approve this Non-Duty Disability Retirement for Mr. Gregory Courier.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION
MOVED BY TRUSTEE GROMASKI

SUPPORTED BY TRUSTEE KRYGIER

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski	X			Steve Gray	X			Jon Morse	X		
Kim Coonan	X			Richard Gromaski	X			Matthew Pett	X		
Kristal Gonzales	X			Ernie Krygier	X			Thomas Starkweather	X		

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
Voice: Yeas 9 Nays 0 Excused 0

Disposition: Adopted X Defeated _____ Withdrawn _____
Amended _____ Corrected _____ Referred _____

**BAY COUNTY RETIREMENT BOARD
10/ 11/2016
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD

RESOLVED By the Bay County Retirement Board that the following reports are received:

1. PORTFOLIO VALUE - 1/1/16 - 9/30/16
2. CHANGE IN BOOK AND MARKET VALUE -8/31/16
3. MONEY MANAGERS ON WATCH - NONE
4. MONEY MANAGER REPORTS
 - a. BARINGS (CORNERSTONE) - ENDING 8/31/16
 - b. EAGLE ASSET MGMT - ENDING 8/31/16
 - c. HENDERSON GENEVA - ENDING 8/31/16
 - d. HOTCHKIS & WILEY - ENDING 8/31/16
 - e. LOOMIS SAYLES - ENDING 8/31/16
 - f. MFS INVESTMENT - ENDING 8/31/16
 - g. MFS HERITAGE TRUST - ENDING 8/31/16
 - h. MACKAY SHIELDS - ENDING 8/31/16
 - i. SCHRODERS - ENDING 8/31/16
5. RECAPTURE SERVICES
 - a. ABEL/NOSER - SUMMARY ENDING 8/31/16
 - b. CAPIS - SUMMARY ENDING 8/31/16
6. NORTHERN TRUST SUMMARY EARNINGS -8/31/16
7. REFUNDS/RETIREMENTS -ENDING9/30/16
8. BCERS YTD BUDGET REPORT - ENDING9/30/16
9. INVOICES APPROVED -9/30/16

STEVE GRAY, CHAIR
AND BOARD

MONTHLY REPORTS OCTOBER

MOVED BY TRUSTEE KRYGIER
SUPPORTED BY TRUSTEE GROMASKI

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski	X			Steve Gray	X			Jon Morse	X		
Kim Coonan	X			Richard Gromaski	X			Matthew Pett	X		
Kristal Gonzales	X			Ernie Krygier	X			Thomas Starkweather	X		

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
Voice: Yeas 9 Nays 0 Excused 0

Disposition: Adopted Y Defeated _____ Withdrawn _____
Amended _____ Corrected _____ Referred _____

BAY COUNTY RETIREMENT BOARD
10/11/16
RESOLUTION

BY: BAY COUNTY RETIREMENT BOARD (10/11/16)

WHEREAS, The term for the Trustee positions for the Bay Medical Care Facility and the Library/Sheriff ends December 31, 2016.

WHEREAS, An election must be held for the next three (3) year term.

WHEREAS, The election rules govern the timing for the election dates. Therefore, Be It

RESOLVED That the Bay County Employees' Retirement System Board approve this election calendar conforming with the election rules.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION
MOVED BY TRUSTEE PETT

SUPPORTED BY TRUSTEE KRYGIER

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski			x	Steve Gray	x			Jon Morse	x		
Kim Coonan	x			Richard Gromaski	x			Matthew Pett	x		
Kristal Gonzales	x			Ernie Krygier	x			Thomas Starkweather	x		

Vote Totals:

Roll Call: Yeas Nays Excused
Voice: Yeas 8 Nays 0 Excused 1

Disposition: Adopted X Defeated Withdrawn
Amended Corrected Referred

**BAY COUNTY RETIREMENT BOARD
10/11/16
RESOLUTION**

BY: ADMINISTRATION (10/11/16)

WHEREAS, The 2017 Retirement Fund budget was prepared using all known estimates and calculations at this time for revenue and expenditures.

WHEREAS, The 2017 Budget is for the budget period of January 1, 2017 to December 31, 2017.

WHEREAS, The 2017 budgeted expenditures are submitted at \$29,164,571 which is a decrease of \$29,262 over the 2016 budgeted expenditures in the amount of \$29,254,333.

WHEREAS, The Retirement Fund revenue is budgeted at \$30,915,333 which is a decrease of \$2,940,447 over the 2016 budgeted revenues in the amount of \$33,855,780. Therefore, Be It

RESOLVED That this Board approve the annual 2017 Budget as submitted.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION – 2017 BUDGET PROPOSAL

MOVED BY TRUSTEE COONAN

SUPPORTED BY TRUSTEE KRYGIER

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski			X	Steve Gray	X			Jon Morse	X		
Kim Coonan	X			Richard Gromaski	X			Matthew Pett	X		
Kristal Gonzales	X			Ernie Krygier	X			Thomas Starkweather	X		

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: Yeas 8 Nays 0 Excused 1

Disposition: Adopted Y Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: October 11, 2016

MOTION MOVED BY: Coonan

MOTION SUPPORTED BY: Krygier

MOTION NO.: 80

MOTION 80: Moved, supported and carried to approve the minutes, as printed, from the September 13, 2016 regular meeting.

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski	x			Steve Gray	x			Jon Morse	x		
Kim Coonan	x			Richard Gromaski	x			Matthew Pett	x		
Kristal Gonzales	x			Ernie Krygier	x			Thomas Starkweather	x		

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas 9 Nays 0 Excused 0

Disposition: Adopted X Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: October 11, 2016

MOTION MOVED BY: Brzezinski

MOTION SUPPORTED BY: Morse

MOTION NO.: 81

MOTION 81: Moved, supported and carried to approve the Actuary's recommendation to transfer (\$7,804,932 for all other groups and \$857,940 for BABH) the difference between the accrued liability and reported reserve from the retirement system employer reserve to the retiree reserve effective 1/1/2016 to fully fund the retiree accrued liability.

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski	x			Steve Gray	x			Jon Morse	x		
Kim Coonan	x			Richard Gromaski	x			Matthew Pett	x		
Kristal Gonzales	x			Ernie Krygier	x			Thomas Starkweather	x		

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: Yeas 9 Nays 0 Excused 0

Disposition: Adopted X Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: October 11, 2016

MOTION MOVED BY: Krygier

MOTION SUPPORTED BY: Pett

MOTION NO.: 82

MOTION 82: Moved, supported and carried to receive the December 31, 2015 Actuarial Valuation report from GRS.

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski	x			Steve Gray	x			Jon Morse	x		
Kim Coonan	x			Richard Gromaski	x			Matthew Pett	x		
Kristal Gonzales	x			Ernie Krygier	x			Thomas Starkweather	x		

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: Yeas 9 Nays 0 Excused 0

Disposition: Adopted X Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: October 11, 2016

MOTION MOVED BY: Brzezinski

MOTION SUPPORTED BY: Pett

MOTION NO.: 83

MOTION 83: Moved, supported and carried to deny the appeal for permanent disability for Mr. Charbonneau.

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski	x			Steve Gray	x			Jon Morse	x		
Kim Coonan	x			Richard Gromaski	x			Matthew Pett	x		
Kristal Gonzales	x			Ernie Krygier	X			Thomas Starkweather	x		

Vote Totals:

Roll Call: Yeas 9 Nays 0 Excused 0

Voice: Yeas Nays Excused

Disposition: Adopted XX Defeated Withdrawn

Amended Corrected Referred

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: October 11, 2016

MOTION MOVED BY: Krygier

MOTION SUPPORTED BY: Morse

MOTION NO.: 84

MOTION 84: Moved, supported and carried to go into closed session pursuant to MCLA 15.268, Sec. 8 (h) to consider material exempt from discussion or disclosure by state or federal statute

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski	x			Steve Gray	x			Jon Morse	x		
Kim Coonan	x			Richard Gromaski	x			Matthew Pett	x		
Kristal Gonzales	x			Ernie Krygier	x			Thomas Starkweather	x		

Vote Totals:

Roll Call: Yeas 9 Nays 0 Excused 0
 Voice: Yeas Nays Excused

Disposition: Adopted X Defeated Withdrawn
 Amended Corrected Referred

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: October 11, 2016

MOTION MOVED BY: Krygier

MOTION SUPPORTED BY: Pett

MOTION NO.: 85

MOTION 85: Moved, supported and carried to return to open session.

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski	x			Steve Gray	x			Jon Morse	x		
Kim Coonan	x			Richard Gromaski	x			Matthew Pett	x		
Kristal Gonzales	x			Ernie Krygier	x			Thomas Starkweather	x		

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas 9 Nays 0 Excused 0

Disposition: Adopted X Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: October 11, 2016

MOTION MOVED BY: Krygier

MOTION SUPPORTED BY: Morse

MOTION NO.: 86

MOTION 86: Moved supported and carried to excuse Trustee Brzezinski.

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski			X	Steve Gray	X			Jon Morse	X		
Kim Coonan	X			Richard Gromaski	X			Matthew Pett			
Kristal Gonzales	X			Ernie Krygier	X			Thomas Starkweather	X		

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas 8 Nays 0 Excused 1

Disposition: Adopted X Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: October 11, 2016

MOTION MOVED BY: Krygier

MOTION SUPPORTED BY: Gonzales

MOTION NO.: 87

MOTION 87: Moved, supported and carried to receive the correspondence from PGIM regarding operating cash load distribution.

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski			x	Steve Gray	x			Jon Morse	x		
Kim Coonan	x			Richard Gromaski	x			Matthew Pett	x		
Kristal Gonzales	x			Ernie Krygier	x			Thomas Starkweather	x		

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas 8 Nays 0 Excused 1

Disposition: Adopted X Defeated _____ Withdrawn _____
Amended _____ Corrected _____ Referred _____

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: October 11, 2016

MOTION MOVED BY: Krygier

MOTION SUPPORTED BY: Gonzales

MOTION NO.: 88

MOTION 88: Moved, supported and carried to adjourn the meeting at 2:49 p.m.

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski			x	Steve Gray	x			Jon Morse	x		
Kim Coonan	x			Richard Gromaski	x			Matthew Pett	x		
Kristal Gonzales	x			Ernie Krygier	x			Thomas Starkweather	x		

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas 8 Nays 0 Excused 1

Disposition: Adopted X Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____